

Message Text

CONFIDENTIAL

PAGE 01 STATE 258645
ORIGIN EA-12

INFO OCT-01 ISO-00 DHA-05 NEA-10 IO-13 USIE-00 SSO-00
INRE-00 NSCE-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 SS-15 STR-05 CEA-01
L-03 H-01 PA-01 PRS-01 /104 R

DRAFTED BY EA:EP:WRWARNE:SJP:MFG
APPROVED BY D - MR. CHRISTOPHER
D:SOXMAN
EB/IFD/ODF:FNASH (SUBS)
D/HA:MBOVA (DRAFT)
EA/RA:FBENNETT (INFO)
TREASURY:ANACHMONOFF
EA/ROK:RRICH (DRAFT)
EA:ROAKLEY
TREASURY:DSHERK

-----002036 291432Z /15

O 290100Z OCT 77
FM SECSTATE WASHDC
TO AMEMBASSY MANILA IMMEDIATE
AMEMBASSY SEOUL IMMEDIATE

C O N F I D E N T I A L STATE 258645

MANILA FOR ACTING EXECUTIVE USADBL SEOUL FOR AMB. SNEIDER

E.O. 11652: GDS

TAGS: EFIN, KS, SHUM

SUBJECT: ADB BOARD CONSIDERATION OF ASAN BAY POWER PROJECT
AND SECOND ROAD IMPROVEMENT PROJECT TO KOREA

JOINT STATE/TREASURY MESSAGE

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1. FOR MANILA: U.S. EXECUTIVE DIRECTOR SHOULD ABSTAIN
ON THE ASAN BAY POWER LOAN AT THE OCTOBER 31 BOARD MEETING
BECAUSE OF SERIOUS U.S. CONCERNS OVER THE HUMAN RIGHTS
SITUATION IN KOREA. WE PREFER NO STATEMENT TO BE MADE IN
THE BOARD MEETING; HANDLING OF EXPLANATION OUTSIDE OF THE
BOARD IS LEFT TO EXECUTIVE DIRECTOR'S (ED) DISCRETION.
ED MAY WISH TO MAKE LOW KEY EXPLANATION TO BANK'S MANAGE-

MENT AND KEY BOARD MEMBERS, PARTICULARLY KOREAN ED, PRIOR TO THE MEETING, DRAWING UPON THE FOLLOWING: USG IS SERIOUSLY CONCERNED OVER THE LACK OF PROGRESS IN IMPROVING THE HUMAN RIGHTS ENVIRONMENT IN KOREA AND OUR ABSTENTION IS MEANT TO SERVE AS AN INDICATION OF THAT CONCERN. FURTHERMORE, LEGISLATION REQUIRES THE US UNDER CERTAIN CIRCUMSTANCES TO OPPOSE INTERNATIONAL FINANCIAL INSTITUTION LOANS FOR HUMAN RIGHTS REASONS. THUS, IN THE SPIRIT OF US LEGISLATION AND ADMINISTRATION POLICIES ON HUMAN RIGHTS, THE US BELIEVES IT NECESSARY TO INDICATE OUR CONCERN BY ABSTAINING ON THIS LOAN. THIS DOES

NOT SET A BINDING PRECEDENT, HOWEVER, THAT WE WILL CAST NON-AFFIRMATIVE VOTE IN FUTURE ADB LOANS TO KOREA. THE US IS VOTING IN FAVOR OF THE 41.5 MILLION DOLLARS SECOND ROAD IMPROVEMENT PROJECT FOR KOREA. IF QUERIED ON REASONS FOR DISTINCTION BETWEEN US POSITION ON THE TWO LOANS, ED SHOULD SAY THAT USG CONSIDER ABSTENTION ON ASAN BAY POWER LOAN APPROPRIATE NOTING OF OUR CONCERN. IF UNDERLINED PRESSED END UNDERLINED, ED MAY STATE THAT ASPECTS OF THE ROAD PROJECT MAY CONTRIBUTE TO MEETING BASIC HUMAN NEEDS, BUT THE SAME CANNOT BE SAID ABOUT THE FEASIBILITY STUDY.

2. FOR SEOUL: YOU SHOULD EXPLAIN TO THE ROKG, AT A LEVEL THAT YOU DEEM APPROPRIATE, THE REASONS FOR THE US CONFIDENTIAL

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DECISION TO ABSTAIN FROM THE SUBJECT LOAN. THIS DECISION IS NOT A BINDING PRECEDENT FOR FUTURE ADB LOANS TO KOREA, BUT IT DOES SIGNAL OUR CONTINUING CONCERN OVER HUMAN RIGHTS DEVELOPMENTS IN KOREA.

3. FYI: THE CONGRESS RECENTLY ENACTED P.L. 95-118; SECTION 701 (A) REQUIRES THE US TO SEEK TO CHANNEL ASSISTANCE FROM INTERNATIONAL DEVELOPMENT BANKS, INCLUDING THE ASIAN DEVELOPMENT BANK, TOWARD COUNTRIES OTHER THAN THOSE ENGAGED IN A CONSISTENT PATTERN OF GROSS HUMAN RIGHTS VIOLATIONS. WHERE, DESPITE THESE EFFORTS, A LOAN IS PROPOSED TO A COUNTRY ENGAGED IN SUCH A PATTERN, SECTION 701 (F) OF THE STATUTE REQUIRES THE US EXECUTIVE DIRECTOR TO OPPOSE THE LOAN UNLESS IT IS "DIRECTED SPECIFICALLY TO PROGRAMS WHICH SERVE THE BASIC HUMAN NEEDS OF THE CITIZENS OF SUCH COUNTRY." WHILE, KOREA HAS NOT BEEN FOUND TO FALL UNDER THIS SECTION, THE HUMAN RIGHTS SITUATION IS SO SERIOUS IN KOREA THAT WE MUST TAKE IT INTO ACCOUNT IN ADB PROCEEDINGS. END FYI. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, HIGHWAYS, ELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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CONFIDENTIAL
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